

MONEYPLUS

OPEN ENROLLMENT OCTOBER 1 - OCTOBER 31, 2007

What is MONEYPLUS?

MONEYPLUS, administered by Fringe Benefits Management Company (FBMC), is a tax-favored accounts program made available through the Internal Revenue Service (IRS) code to stretch your medical and dependent care dollars. With MONEYPLUS, you elect to contribute an annual amount from your salary to be deducted from your paycheck, before taxes, to pay your eligible medical and dependent care expenses. As you incur eligible expenses during the plan year, you request reimbursement from FBMC!

MONEYPLUS offers a Medical Spending Account, Dependent Care Account and Health Savings Account.

Without a MONEYPLUS: (Example)*

\$50.00	monthly budget for medical expenses
- 14.83	taxes on that \$50 taken from your paycheck
\$35.17	amount you have left for medical expenses

With a MONEYPLUS: (Example)

\$50.00	monthly MONEYPLUS deposit for medical expenses
- 0.00	no taxes (no taxes on MONEYPLUS deposits)
\$50.00	amount you have left for medical expenses

*Based upon a 29.65% tax rate (15% federal, 7% state and 7.65% Social Security)

Because the money you deposit in your MONEYPLUS is deducted before taxes, the income you use for these expenses is always tax-free.

Who is eligible?

You must be a full-time, permanent employee and must be eligible for state group insurance benefits to participate in MONEYPLUS. However, you are not required to be enrolled in an insurance program in order to participate in MONEYPLUS.

MONEYPLUS MEDICAL SPENDING ACCOUNT

Minimum Annual Deposit: None

Maximum Annual Deposit: \$5,000

What is a MONEYPLUS Medical Spending Account?

A MONEYPLUS Medical Spending Account (MSA) is an IRS-approved, tax-free account that saves you money on eligible medical expenses. You authorize per-pay-period deposits to your MONEYPLUS account from your before-tax salary. Then, as you incur eligible expenses, you request tax-free withdrawals from your account to reimburse yourself. Your annual MONEYPLUS Medical Spending Account contribution is available to you at the beginning of your plan year.

Who is Eligible for MONEYPLUS Medical Spending Account?

To participate in a Medical Spending Account, you must have completed one year of continuous state service by January 1

Remember, you must re-enroll in order to continue your MONEYPLUS medical and dependent care spending accounts.

following an enrollment period. You must re-enroll each year during annual enrollment (October 1 through October 31), to continue your account the following plan year. If you elect to participate in a Health Savings Account, please remember that you will only be allowed to enroll in a MONEYPLUS limited-use Medical Spending Account for eligible vision and dental expenses.

Partial List of Eligible Expenses for MONEYPLUS Medical Spending Account*

Acupuncture	Experimental medical treatment	Prescription drugs to alleviate nicotine withdrawal symptoms
Ambulance service	Eyeglasses	Smoking cessation programs/treatments
Birth control pills and devices	Guide dogs	Surgery
Chiropractic care	Hearing aids and exams	Transportation for medical care
Contact lenses (corrective)	In vitro fertilization	Weight-loss programs/meetings
Dental fees	Injections and vaccinations	Wheelchairs
Diagnostic tests/health screening	Nursing services	X-rays
Doctor fees	Optometrist fees	
Drug addiction/alcoholism treatment	Orthodontic treatment	
Drugs	Over-the-Counter items	

* IRS-qualified expenses are subject to federal regulatory change at any time during a tax year. Certain other substantiation requirements and restrictions may apply, and will be supplied to you following enrollment.

Ineligible Expenses

- Insurance premiums
- Vision warranties and service contracts
- Cosmetic surgery not deemed medically necessary to alleviate, mitigate or prevent a medical condition

Can I get an EZ REIMBURSE® MasterCard® Card?

Yes. The EZ REIMBURSE® Card is a stored-value card. It is a convenient option that allows FBMC to electronically reimburse eligible expenses from your Medical Spending Account. For more information on the card, see the MONEYPLUS Tax-Favored Accounts Guide, available through your benefits administrator or online at www.eip.sc.gov.

Is there a grace period?

If you have money left in your Medical Spending Account (MSA) after December 31, 2008, you can still use it for eligible expenses incurred through March 15, 2009, and you will be reimbursed from these unspent funds. Keep in mind that the run-out period applies to these expenses, so you must submit your claims and documentation by March 31.

MONEYPLUS DEPENDENT CARE ACCOUNT

Minimum Annual Deposit: None

Maximum Annual Deposit: Depends on your tax filing status.

What is a MONEYPLUS Dependent Care Spending Account?

A MONEYPLUS Dependent Care Account is an IRS tax-favored account you can use to pay for your eligible dependent care expenses to ensure your dependents (child or elder) are taken care of while you and your spouse (if married) are working. These funds are set aside from your salary before taxes are deducted, allowing you to pay your eligible expenses tax-free.

Who is Eligible for MONEYPLUS Dependent Care Spending Account?

You can enroll in a Dependent Care Spending Account within 31 days of the date you are hired. If you do not enroll at that time, you can only enroll during annual enrollment (October 1 through October 31). You must re-enroll during each annual enrollment period to continue your account. Dependent Care Spending Accounts are available to you if you also participate in a Health Savings Account. You can also enroll in, or make changes to, your Spending Account(s) within 31 days of a change in family status. Changes during the year must be necessary and appropriate. See your enrollment book for details.

MONEYPLUS HEALTH SAVINGS ACCOUNT

What is a MONEYPLUS Health Savings Account?

Providing economical health care in the face of rising costs is a major issue facing the nation. As part of an effort to cope with this challenge, the Employee Insurance Program (EIP) began offering the State Health Plan Savings Plan coupled with a Health Savings Account (HSA).

An HSA is a tax-free account that can be used to pay health care expenses. Unlike money in a MONEYPLUS Medical Spending Account, the funds do not have to be spent in the plan year they are deposited. Money in the account, including interest, accumulates tax-free, so the funds can be used to pay qualified medical expenses in the future. An important advantage of an HSA is that it is owned by the employee. If you leave your job, you can take the account with you.

Who is eligible to contribute to a MONEYPLUS HSA?

- Employees must be covered by the State Health Plan Savings Plan.
- Employees cannot be covered by any other type of health plan, including Medicare. However, they may be covered for specific injuries, accidents, disability, dental care, vision care and long-term care.
- Participants cannot be claimed as a dependent on another person's tax return.

MONEYPLUS Guidelines:

1. The IRS does not allow you to pay your medical or other insurance premiums through your MONEYPLUS Medical Spending Account.
2. You have a 90-day run-out period (until March 31, 2009) at the end of the plan year for reimbursement of eligible MONEYPLUS expenses incurred during the 2008 Plan Year. Remaining funds cannot be carried forward, except as noted under MSA grace period and HSA guidelines. The run-out period does not apply to the Health Savings Account.
3. You may not receive insurance benefits or any other compensation for expenses which are reimbursed through your MONEYPLUS account.
4. Expenses reimbursed from a MONEYPLUS account cannot be deducted on your federal tax return.
5. You may not be reimbursed for a service that you have not yet received.

More Information

The MONEYPLUS Tax-Favored Accounts Guide is available at www.eip.sc.gov.

FBMC

proven benefit solutions

Contract Administrator

Fringe Benefits Management Company

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